

Amendment 5b to Substitute CB 118965 –Tax Diet Beverages (Herbold)

On page 5, after line 18, insert the following:

"“Non-caloric sweetener” means any artificial sugar substitute that is suitable for human consumption and that humans perceive as sweet, including but not limited to aspartame, sucralose, neotame, acesulfame potassium (Ace-K), saccharin, advantame, and any other such substance designated by the Director. “Non-caloric sweetener” does not include natural zero-calorie sugar substitutes intended for human consumption, including but not limited to stevia, and any other such substance designated by the Director."

On page 5, beginning on line 19, amend the following subsections as shown below:

“Sweetened beverage” means any beverage intended for human consumption which contains one or more caloric or non-caloric sweeteners, whether in bottles, prepared from concentrates, served as a fountain beverage, or in any other form.

“Sweetened beverage” includes all drinks and beverages commonly referred to as soda, pop, cola, soft drinks, sports drinks, energy drinks, sweetened ice teas and coffees, and other products with added caloric or non-caloric sweeteners including but not limited to juice with added caloric or non-caloric sweetener, flavored water with added caloric or non-caloric sweetener, and non-alcoholic

mix beverages that may or may not be mixed with alcohol or any other common names that are derivations thereof. "Sweetened beverage" does not include any of the following:

1. Any beverage in which natural milk is the primary ingredient, in other words, the ingredient listed first in the product ingredient list; or in which water and grains, nuts, legumes, or seeds constitute the first two ingredients in the product ingredient list;
2. Any beverage for medical use;
3. Any liquid sold for use as a meal replacement for weight reduction or other purposes;
4. Any product commonly referred to as infant formula or baby formula;
5. Any alcoholic beverage;
6. Any beverage consisting of 100 percent natural fruit or vegetable juice with no added caloric or non-caloric sweetener. For the purposes of this definition of "sweetened beverage", natural fruit juice and natural vegetable juice mean the original liquid resulting from the pressing of fruits or vegetables;
7. Any concentrate that the consumer manually combines with other ingredients to create a beverage; or
~~((8. Any beverage that contains fewer than 40 calories per 12 ounce serving; or))~~
~~((9.))~~8. Sweetened medication such as cough syrup, liquid pain relievers, fever reducers, and similar products."

Beginning on page 9, on line 1, amend following subsection as shown below:

"5.53.080 Rules and regulations

The Director shall adopt, publish, and enforce rules and regulations not inconsistent with this Chapter 5.53 for the purpose of carrying out the provisions of this chapter, including but not limited to rules to clarify the inclusion or exclusion of particular products, the calculation of tax

for concentrates based on manufacturer's instructions or industry practice, rules to implement the exemption for the products of certain manufacturers under subsection 5.53.050.A, and the designation of caloric and non-caloric sweeteners."

Effect: Expands the definition of "sweetened beverage" and the application of the sweetened beverage tax to include beverages sweetened with non-caloric sweeteners ("diet" beverages). The definition of "non-caloric sweetener" is amended to exclude stevia and other zero-calorie natural sweeteners, exempting them from the sweetened beverage tax.